



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION I
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MASSACHUSETTS 02109-3912

NOV 05 2015

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert J. Pagano
Chief Executive Officer
Watts Regulator Co.
815 Chestnut Street
North Andover, MA 01845-6098

**URGENT LEGAL MATTER
REQUIRES PROMPT RESPONSE**

Re: Clean Air Act Reporting Requirement and Testing Order

Dear Mr. Pagano:

The United States Environmental Protection Agency ("EPA") is evaluating whether the Watts Regulator Co. ("Watts") facility located at 583 South Main Street in Franklin, New Hampshire ("Franklin facility") is in compliance with applicable state and federal requirements under the Clean Air Act (the Act). The Franklin facility is a foundry subject to the National Emission Standards for Hazardous Air Pollutants. Specifically, the Franklin facility is subject to: 1) the Area Source Standards for Aluminum, Copper, and Other Nonferrous Foundries found at 40 C.F.R. Part 63, Subpart ZZZZZZ ("Subpart 6Z"); and 2) the Area Source Standards for Nine Metal Fabrication and Metal Finishing Source Categories found at 40 C.F.R. Part 63, Subpart XXXXXX ("Subpart 6X").

Section 114(a)(1) of the Act, 42 U.S.C. Section 7414(a)(1), gives EPA the authority to require any person who owns or operates any emission source to establish and maintain records, make reports, sample emissions, and provide such other information as may reasonably be required to enable EPA to determine whether a facility is in compliance with the Act.

Reporting Requirement

Within 45 days of receipt of this letter, Watts must:

1. Provide the following information regarding the original leaded brass foundry (lead melt and pour operation):
 - a. Date that construction commenced, as defined in 40 CFR § 63.2;
 - b. The annual melt production rate (in tons per year) from 2010 to present.

2. Provide the following information on the new low lead brass foundry (lead melt and pour operation):
 - a. Date that construction commenced, as defined in 40 CFR § 63.2;
 - b. The annual melt production rate (in tons per year) from 2010 to present.
3. Provide a list of the equipment and/or process descriptions that are subject to the requirements of Subpart 6X.

Testing Order

Watts must conduct an emissions performance test according to the requirements of Subpart 6Z for the original leaded brass foundry process. The emissions test shall be conducted, and the results reported, in accordance with the following procedure and schedule.

Within 30 days of receipt of this Testing Order, contact EPA's Elizabeth Kudarauskas at (617) 918-1564, or kudarauskas.beth@epa.gov, to discuss the pre-test protocol and the scheduling of a pre-test conference.

Within 60 days of receipt of this Testing Order, prepare and mail to EPA and New Hampshire Department of Environmental Services ("NH DES") a pre-test protocol for testing all units in the lead foundry operation subject to Subpart 6Z. Watts shall conduct the performance test in accordance with the appropriate methods in 40 C.F.R. Part 63.11551.

Within 90 days of receipt of this Testing Order, conduct a compliance test on all of the lead foundry units subject to Subpart 6Z.

Within 30 days of completing the test, submit the completed test report to EPA and NH DES. Included with the test report, Watts shall also submit:

- A description of any maintenance (or other repairs or changes) done on the vapor collection and processing system between the date of receipt of this letter and the EPA-observed emissions test date, including a description of the reason(s) for such maintenance; and
- The data and results from any pre-test sampling and/or engineering studies Watts elects to conduct on the vapor collection and processing system between the date of receipt of this letter and the EPA-observed emissions test date, and any memos or reports that summarize the results of the same.

Attachment A to this Testing Order provides lists of guidelines for pre-test protocols and post-test final reports. In specific circumstances, EPA may request additional information.

Submissions required by this letter shall be mailed to all of the following:

Elizabeth A. Kudarauskas US EPA Region I Mail Code OES04-2 5 Post Office Square, Suite 100 Boston, Massachusetts 02109	William Osbahr US EPA Region I Mail Code EIA 11 Technology Drive North Chelmsford, MA 01863-2431	Raymond Walters New Hampshire Department of Environmental Services P.O. Box 95 Concord, NH 03302-0095
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Be aware that if Watts does not provide all the information required under the Reporting Requirement and Testing Order in a timely manner, EPA may order it to comply and may assess monetary penalties under Section 113 of the Act, 42 U.S.C. § 7413. Note that federal law also establishes criminal penalties for providing false information to EPA. This letter is not subject to Office of Management and Budget review pursuant to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

You may assert a business confidentiality claim covering part or all of the information requested, in the manner described by 40 CFR § 2.203(b). Information covered by such a claim will be disclosed by EPA only to the extent, and by means of the procedures, set forth in 40 CFR Part 2, Subpart B. Note that certain categories of information, such as emission data, are not properly the subject of such a claim. If no such claim accompanies the information when EPA receives it, EPA may make the information available to the public without further notice to you. Please be aware that states may have different rules and regulations governing the protection of confidential business information.

If you have any questions regarding this Reporting Requirement and Testing Order, please contact Environmental Engineer Elizabeth Kudarauskas, at (617) 918-1564, or have your attorney call Senior Enforcement Counsel Thomas Olivier at (617) 918-1737.

Sincerely,



Susan Studlien, Director
Office of Environmental Stewardship

Enclosure

cc: Richard Masters, Watts Regulator Co.
Mark Ledgard, NH DES

Enclosures

Attachment A

REQUIREMENTS FOR AIR SOURCE EMISSION TESTING

A. PRETEST INFORMATION REQUIREMENTS

In order to establish uniform requirements and help ensure that proper test methods and procedures are utilized, the information specified below must be submitted to EPA Region 1 in the form of a test protocol. EPA will notify the company of any deficiencies or required changes in the test protocol. Following such notification, the company shall revise and resubmit the test protocol for EPA review and approval.

Except as otherwise provided by EPA, the test protocol shall provide for testing in strict accordance with applicable procedures in 40 C.F.R. Part 60, Appendix A, Standards of Performance for New Stationary Sources, or in 40 C.F.R. Part 61, Appendix B, National Emission Standards for Hazardous Air Pollutants. Any variations in sampling or analytical procedures must be indicated in the test protocol and receive written approval from EPA prior to testing.

The test protocol shall provide the following information, at a minimum:

1. Identification and a brief description of the source to be tested. The description shall include:
 - a. Type of industrial process or combustion facility;
 - b. Type and quantity of raw and finished materials used in the process;
 - c. Description of any cyclical or batch operations which would tend to produce variable emissions with time;
 - d. The site specific operating parameters (to be established during performance testing) used to demonstrate ongoing compliance; and
 - e. Rated capacity of the process.
2. A brief description of the air pollution control equipment associated with the process, including:
 - a. Type of control device;
 - b. Operating parameters;

- c. Rated capacity and efficiency; and
 - d. Ultimate disposal of wastes.
3. Type of pollutant to be sampled (particulate matter, NO_x, SO₂, hydrocarbons, etc.).
 4. A description of the emission sampling equipment, including a schematic diagram of the sampling train.
 5. A description of the sampling and analysis procedures. Reference standard methods, if applicable. Indicate any proposed variations and provide justification.
 6. A sketch with dimensions indicating the flow of exhaust gases from the process, through the control equipment and associated ductwork to the stack.
 7. In accordance with 40 C.F.R. Part 60, Appendix A, Method 1:
 - a. An elevation view of the dimensions of the stack configuration indicating the location of the sampling ports and distances to the nearest upstream and downstream flow interferences; and
 - b. A cross-sectional sketch of the stack at the sampling location with dimensions indicating the location of the sampling traverse points.
 8. Estimated flue gas conditions at sampling location, including temperature, moisture content, and velocity pressure.
 9. A description of the process and control equipment operating data to be collected during the sampling period.
 10. Copies of the field data sheet forms to be used during the tests.
 11. Names and titles of personnel who will be performing the tests.
 12. A description of the procedures for maintaining the integrity of the samples collected, including chain of custody and quality control procedures.
 13. Calibration sheets for the dry gas meter, orifice meter, pilot tube, and/or any other equipment that requires calibration.
 14. A list of pre-weighed filters to be used during particulate emission testing, including identification and tare weights.

(Item Nos. 13 and 14 must be submitted prior to actual testing, but need not be included with the pretest information.)

B. EMISSION TEST REPORT REQUIREMENTS

The emission test report must contain all pertinent data concerning the tests, including a description of the process and operating conditions under which the tests were made, the results of the tests, and test procedures. While the exact format of the report will vary depending upon the type and objective of the tests, below is a suggested format containing elements that must be incorporated in the report.

1. Introduction

- a. Identification, location, and dates of tests;
- b. Purpose of tests;
- c. Brief description of source; and
- d. Name and affiliation of person in charge of tests.

2. Summary of results

- a. Operating and emission data; and
- b. Comparison with applicable emission regulations.

3. Source description

- a. Description of process including operation of emission control equipment;
- b. Flow sheet (if applicable);
- c. Type and quantity of raw and finished materials processed during the tests;
- d. Maximum normal rated capacity of the process; and
- e. Description of process instrumentation monitored during the test.

4. Sampling and analytical procedures

- a. Description of sampling train and field procedures;
- b. Description of recovery and analytical procedures;

- c. Sketch indicating sampling port locations relative to process, control equipment upstream and downstream flow disturbances; and
- d. Sketch or cross-sectional view of stack indicating traverse point locations.

5. Test results and discussion

- a. Detailed tabulation of results including process operating conditions and flue gases conditions;
- b. Discussion of significance of results relative to operating parameters and emission regulations; and
- c. Discussion of any divergences from normal sampling procedures or operating conditions that could have affected the test results.

6. Calculation and data reduction methods

- a. Description of computational methods, including the equation format used to obtain final emissions results from field data; and
- b. Sample calculations from at least one run of each type of test performed.

7. Appendix

- a. Copies of all field data collected during the test, including sampling data sheets and process operating logs;
- a. Copies of all analytical laboratory data;
- b. Calculation sheets or computer input and output data;
- d. Sampling equipment and laboratory calibration data;
- e. Names and titles of personnel and organizations participating in the tests;
- f. Visible emission observations performed during the tests (if required); and
- g. Copies of all chain of custody information.



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**URGENT LEGAL MATTER
REQUIRES PROMPT RESPONSE**

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Robert J. Pagano, CEO
Watts Regulator Co.
815 Chestnut Street
North Andover, MA 01845-6098

Re: Notice of Determination for Voluntary Disclosure; Notice of Violation

Dear Mr. Pagano:

The U.S. Environmental Protection Agency, Region 1 ("EPA") has reviewed letters submitted by Watts Regulator Co. dated February 19 and March 29, 2013, disclosing violations of the Clean Air Act. These letters describe Watts' discovery of violations of the National Emission Standards for Hazardous Air Pollutants, Area Source Standards for Nine Metal Fabrication and Finishing Source Categories, 40 C.F.R. Part 63, Subpart XXXXXX ("Subpart 6X") and the National Emission Standards for Hazardous Air Pollutants, Area Source Standards for Aluminum, Copper, and Other Nonferrous Foundries, 40 C.F.R. Part 63, Subpart ZZZZZZ ("Subpart 6Z"), at the Watts foundry at 583 South Main Street, Franklin, New Hampshire ("the facility"). EPA has determined that Watts' disclosure does not meet all of the requirements for treatment under EPA's policy entitled "Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations," published at 65 FR 19618 ("the Policy"), issued April 11, 2000.

Watts indicates in its letters that the disclosure of the violations at Watts' facility was voluntary and discovered through a third party audit. However, it appears that the disclosure does not meet Policy requirements because the violations were not discovered and disclosed independent of a government inspection or investigation. The New Hampshire Department of Environmental Services ("NH DES") inspected the facility in 2012 after receiving an application from Watts for a temporary air permit. As a result of the inspection, the NH DES brought an enforcement action against Watts, and also communicated its concern to EPA about Watts' noncompliance with Subpart 6X. Under Section D(4) of the Policy, the violations must be discovered and identified before EPA or another government agency likely would have identified the problem either through its own investigative work or from information received through a third party. In this case, where disclosure of the substantive violations followed a NH DES inspection and

enforcement action for air violations, the discovery and disclosure were not independent of the NH DES investigation and thus are not eligible under the Policy.

Accordingly, EPA is issuing Watts the enclosed Notice of Violation ("NOV") for violations of the Clean Air Act. Specifically, the NOV addresses EPA's findings that Watts has violated Subpart 6X, and continues in violation of Subpart 6Z.

In its 2013 letters, Watts requested that EPA accept emissions test data from 2009 to satisfy the performance testing requirement in Subpart 6Z. EPA has evaluated the emissions test data and has determined that the 2009 test does not satisfy the requirement to demonstrate compliance with the emission limits in Subpart 6Z. Therefore, under separate cover, EPA is issuing Watts a Clean Air Act Testing Order and Reporting Requirement. The Testing Order requires Watts to conduct an emissions test of its brass foundry at the facility. The Reporting Requirement instructs Watts to provide certain information to EPA regarding compliance with the Clean Air Act.

You may confer with EPA about the enclosed NOV and its findings. To schedule a conference, please contact Elizabeth Kudarauskas of my staff, at (617) 918-1564 or kudarauskas.beth@epa.gov, or have your legal counsel contact Thomas Olivier of my staff, at (617) 918-1737 or olivier.tom@epa.gov, within fourteen (14) days of your receipt of this letter and the enclosed NOV.

Sincerely,



Susan Studlien, Director
Office of Environmental Stewardship

Enclosures

cc: Richard Masters, Watts Regulator Co.
Sean M. Sullivan, Esq., Williams Mullen
Mark Ledgard, NH DES

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 1 – NEW ENGLAND**

IN THE MATTER OF
Watts Regulator Co.
583 South Main Street
Franklin, NH 03235

Proceeding under Section
113 of the Clean Air Act

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**CLEAN AIR ACT
NOTICE OF VIOLATION**

STATUTORY AUTHORITY

1. The United States Environmental Protection Agency Region 1 (“EPA”) issues this Notice of Violation (“NOV”) under the authority of Section 113 of the Clean Air Act (“CAA”), 42 U.S.C. § 7413, to Watts Regulator Co. (“Watts”).

2. This NOV contains EPA’s findings that Watts has operated its brass foundry and valve manufacturing facility in violation of:

- a. the National Emission Standards for Hazardous Air Pollutants Area Source Standards for Nine Metal Fabrication and Finishing Source Categories, found at 40 CFR Part 63 Subpart XXXXXX (“Subpart 6X); and
- b. the National Emission Standards for Hazardous Air Pollutants: Area Source Standards for Aluminum, Copper, and Other Nonferrous Foundries, found at 40 CFR Part 63, Subpart ZZZZZZ (“Subpart 6Z”).

BACKGROUND

3. Watts owns and operates a brass foundry and valve manufacturing facility located in Franklin, New Hampshire (“the Franklin facility”).

4. The Franklin facility operates two foundry process lines, the “original leaded brass foundry” and the “new low lead brass foundry.” Each process line has a separate set of particulate matter (“PM”) controls.
5. The Franklin facility is an area source of hazardous air pollutants (“HAP”) as it has the potential to emit less than 10 tons per year of any single HAP or 25 tons per year of a combination of HAPs.

VIOLATIONS OF SUBPART 6X REQUIREMENTS

6. The Subpart 6X requirements apply to each area source of HAP that is primarily engaged in one of the nine source categories listed in Table 1 of Subpart 6X. See 40 C.F.R. § 63.11514 (a).

7. Both foundry process lines at the Franklin facility are subject to Subpart 6X.

Failure to Submit Timely Notifications

8. Subpart 6X requires an affected source to submit an initial notification to EPA. See 40 CFR § 63.11519(a)(1). The initial notification for an existing affected source was due on July 25, 2011.
9. Watts submitted an initial notification to EPA for the Franklin facility on March 29, 2013.
10. Subpart 6X also requires an affected source to submit a notification of compliance status (“NOCS”) report to EPA. See 40 CFR § 63.11519(a)(2). The NOCS for an existing affected source was due on November 22, 2011.
11. Watts submitted a notification of compliance status to EPA for the Franklin facility on March 29, 2013.

Failure to Submit Timely Reports

12. Subpart 6X requires an affected source to submit an annual certification and compliance report to EPA. See 40 CFR § 63.11519(b). The annual certification and compliance report is due on January 31.
13. Watts submitted an annual certification and compliance report for the reporting period of January 3013 through December 2013 on April 2, 2014. This report was due on January 31, 2014.
14. Watts submitted an annual certification and compliance report for the reporting period of January 3014 through December 2014 on March 10, 2015. This report was due on January 31, 2014.

VIOLATIONS OF SUBPART 6Z REQUIREMENTS

14. The Subpart 6Z requirements apply to the owner or operator of an aluminum foundry, copper foundry, or other nonferrous foundry that is an area source of HAP and has an annual melt production or annual melt capacity of at least 600 tons per year. See 40 C.F.R. § 63.11544 (a).
15. The Franklin facility is a nonferrous foundry and has an annual melt production of more than 600 tons per year and as a result is subject to Subpart 6Z.

Failure to Submit Timely Notifications

16. Subpart 6Z requires an affected source to submit a notification of compliance status to EPA. See 40 CFR §63.11553(b). The NOCS for an existing affected source was due on October 25, 2011.

17. Watts submitted a notification of compliance status to EPA for the Franklin Facility on March 29, 2013.

Failure to Conduct Performance Test

18. Subpart 6Z requires affected sources to conduct a performance test. See 40 CFR § 63.11551. The performance test must be conducted within 180 days of the compliance date.

19. Watts conducted a performance test of the original leaded brass foundry in March-April 2009. Watts did not notify EPA of the intent to conduct the performance test (as required by 40 CFR § 63.7) in 2009 and no EPA personnel were present to witness the testing.

20. Watts requested that the 2009 test data be used to satisfy the performance testing requirement in Subpart 6Z. See 40 CFR § 63.11551(b). EPA has reviewed the test report for the 2009 test and has determined that the 2009 test does not satisfy the requirement to demonstrate compliance with the emission limits in Subpart 6Z. Specifically, the 2009 test report reveals several problems with the test data, including:

- a. invalid melt rate production data;
- b. failure to sample both Melt Deck Exhausts;
- c. use of nonconforming sample locations;
- d. excessive sample train leakage (resulting in an invalid test run);
- e. failure to achieve three valid test runs;
- f. testing well below maximum capacity; and
- g. testing during a process shut down for repair.

21. On October 4, 2013, Watts conducted a performance test of the new low lead brass foundry. Watts did notify EPA and New Hampshire Department of Environmental Services (“NH DES”) of the intent to test in 2013 and submitted a test protocol.

22. To date, Watts has not satisfied the requirement in Subpart 6Z to conduct an initial performance test on the original leaded brass foundry.

ENFORCEMENT

23. After the issuance of this NOV, EPA may take any or all of the following actions in accordance with the provisions of Section 113 of the Act: (a) issue an order requiring compliance with the Act; (b) issue an administrative penalty order; or (c) bring a civil action in federal district court for an injunction and/or monetary penalties up to \$37,500 per day for each violation. See Sections 113(a), (b) and (d) of the CAA, 42 U.S.C. §§ 7413(a), (b) and (d), and 40 CFR. Part 19.4.

24. If Watts has knowingly violated the requirements of the CAA, Watts and its responsible corporate officers may be subject to criminal penalties under Title 18 of the United States Code, imprisonment for not more than five years, or both. See Section 113(c) of the Act, 42 U.S.C. § 7413(c).

25. Be advised that the issuance of this NOV does not preclude EPA from electing to pursue any other remedies or sanctions authorized by law that are available to address the violations alleged above.

OPPORTUNITY TO CONFER

26. If Watts has any questions regarding this NOV, please contact Elizabeth Kudarauskas, Environmental Engineer, at kudarauskas.beth@epa.gov or (617) 918-1564, or have your legal counsel contact Thomas T. Olivier, Senior Enforcement Counsel, at olivier.tom@epa.gov or (617) 918-1737. Watts may request an opportunity to confer with EPA within 14 days of issuance of this NOV by contacting Ms. Kudarauskas or Mr. Olivier.

EFFECTIVE DATE

27. This NOV shall become effective immediately upon issuance by EPA.

A handwritten signature in blue ink, appearing to read "Susan Studlien", is written over a horizontal line.

Susan Studlien, Director
Office of Environmental Stewardship
U.S. Environmental Protection Agency
Region 1 – New England

A handwritten date "Nov. 4, 2015" in blue ink is written over a horizontal line.

Date